

Herald INTERNATIONAL Tribune

Published With The New York Times and The Washington Post

PARIS, MONDAY, AUGUST 1, 1988

Subscription rates and contact information.

MONDAY SPORTS WEEKEND BASEBALL See Page 13

Closing the Triangle in Trade

EC and Japan Try to Form Stronger Ties

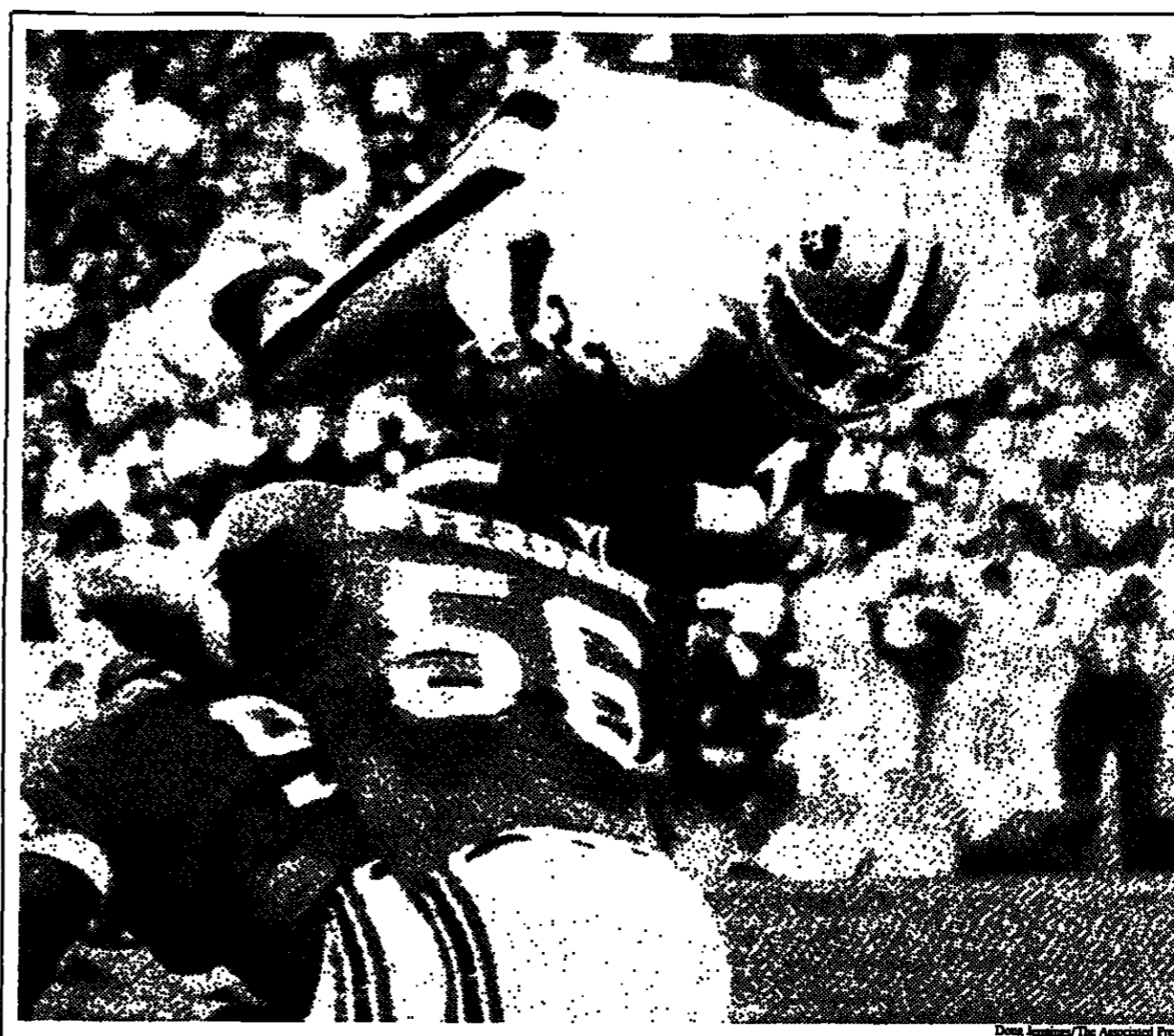
By Reginald Dale. BRUSSELS — As they grow in stature as economic powers, the European Community and Japan have begun to realize that they both have closer relations with the United States than they do with each other...



Noboru Takeshita

But Tokyo Foresees New Barriers

By Patrick L. Smith. TOKYO — As the European Community advances toward economic unification, officials and executives in Tokyo are coming to question whether the creation of the world's largest single market represents a new opportunity for Japan or a threat to its existing relationships with European nations...



UP AND OVER — Roger Craig of the San Francisco 49ers clutched the ball as he flew over John Offordahl of the Miami Dolphins Sunday in a U.S. professional football exhibition game in London.

Hussein Yields To PLO

Jordan's Ruler Abandons Claims To the West Bank

By John Kifner. AMMAN — King Hussein of Jordan has abandoned to the Palestine Liberation Organization any claim to the Israeli-occupied West Bank his Hashemite family ruled between 1948 and 1967.

In Moscow, Debate on the Military's Role

By R. Jeffrey Smith. MOSCOW — The U.S. secretary of defense, Frank C. Carlucci, will find the Soviet leadership engaged in its broadest debate on military matters in more than two decades when he arrives here Monday for a week of consultations with his Soviet counterparts...

Ozone Pollution Soars During U.S. Heat Wave

By Philip Shabecoff. WASHINGTON — The mass of hot, dirty air that has lingered over much of the United States this summer increased ozone pollution in many cities to the highest levels in the 1980s, according to preliminary readings from government monitoring stations.

Sunday Was Navy Day in the Soviet Union



Sunday was Navy Day in the Soviet Union and sailors of the Baltic Fleet strolled along the Neva in Leningrad, their warship in the background, to see the sights of the port.

MONDAY Q&A

Theodoros Pangalos, Greece's minister for Europe, discusses priorities as his country takes over the EC presidency. Page 2. General News: New Zealand grants the United States a blanket clearance for military jets on Antarctic supply flights. Page 4. Business/Finance: NCB Corp. has won the bidding to take over First Republic Bank Corp. Page 7.

Political Clichés: A Full Plate in Dog-Eat-Dog Campaigns

By E. J. Dionne Jr. WASHINGTON — Clichés are the mother's milk of political rhetoric and the battle for the best of them in this election year is heating up. "Whoever controls the clichés wins — you can bet the ranch on it," said John Buckley, a Republican political operative.

Iran Envoy Sees End to Gulf Attacks

Compiled by Our Staff From Dispatches. DOHA, Qatar — A senior Iranian envoy has indicated that Iran would stop attacks on commercial shipping in the Gulf while Iran and Iraq try to negotiate a cease-fire in their eight-year war.

A top West German official is said that Moscow does not aim to split the Western alliance. Page 2.

See CLICHES, Page 4

See GULF, Page 4

Vertical advertisements on the left margin including PEOPLE, YVES MONTAND, and various classifieds.

Greece, at Helm of EC, Sets Priorities for '92 Single Market

Greece last month took over the rotating presidency of the European Community until the end of December. Reginald Dale of the International Herald Tribune talked to Theodoros Pangalos, Greece's deputy foreign minister and minister for Europe.

Q. Do you think the presiding country should promote its own interests or act more as a neutral chairman?
A. The truth is in between. It is certainly unacceptable to use the presidency as a leverage to promote national interests.

MONDAY Q&A

Q. The community made great progress on its post-1992 single market under the West German presidency that has just ended. Can you keep up the momentum?
A. We think we can. The decisions of our presidency will be less far-reaching, less glorious maybe, but I think in some fields they will be of great importance.

Q. What are your priorities?
A. The buildup of the internal market has to continue. Above all, we have to move toward free movement of financial services.

Q. And unified taxes?
A. Taxation is a very difficult chapter, on which we have to continue working. We do not expect spectacular results, but our aim is to do the great bulk of the work so that we can see the problem more clearly by the end of the year.

But the president cannot be neutral either.
The presidency should promote the differing ways each country, or group of countries, sees the community evolving.

That is maybe the greatest advantage of the revolving presidency. It ensures that the community's evolution is never one-sided. There are Northern and Southern points of view and richer and weaker countries. Everybody has the opportunity to point the community in the way it feels best.

Q. At the time of the first Greek presidency in 1983, Greece was regarded as a rather maverick country, perhaps not fully committed to the community. Has that changed?
A. There is now an overwhelming majority in the governing Socialist Party and its supporters in favor of the community.

The situation has changed rapidly for two reasons: Greece has managed to make a place for itself in the community, and the community has changed in the right direction, particularly in its social and regional policies.

Q. Prime Minister Andreas Papandreu has talked a lot about creating an integrated social space in the community. Can you explain what that means?
A. If you have a unified economic space, you have to have a policy of harmonizing social conditions — though not, of course, wages. Equivalence of wages in the different countries is a long-term prospect.

The policy would cover company health schemes, the way workers participate in the life of enterprises and company decision-making, and the mutual recognition of qualifications, not just university diplomas. It would be strange if engineers and lawyers could practice in other countries, but not plumbers or electricians.

The idea, which is not particularly leftist, is that European civilization is based on two main elements, which can't be separated. One is political freedom and

human rights, the other is a great degree of social solidarity.

You can't possibly imagine the construction of a single political Europe without an effort to harmonize social conditions.

The idea of a common social space has not just come from the workers' movement. We have had some very interesting proposals from the employers' side — not at all a negative reaction.

Q. In the light of the recent terrorist attack on the Greek cruise ship City of Poros, will you use the presidency to promote stronger anti-terrorism measures?
A. That event is not related to the Greek presidency. Terrorist attacks have happened in almost all European countries. Greece has always taken a very tough approach and has never negotiated or traded with terrorists.

But we shall certainly try to promote more action. We will call nine meetings of the community's expert group on terrorism and security, including one ministerial meeting, which I think is a record. As controls at internal frontiers are reduced, we must promote a credible defense of the community's external frontiers, for example against terrorists, drug

traders and uncontrolled immigrants from outside the community.

Q. Greece has said that the community should not admit any new members for the time being.

A. So has nearly everybody else. First we have to assess the creation of the unified market, some time after 1992, and see what future direction we should take. But the Community has always been open to everyone of European culture.

Q. Does that include Turkey?
A. Turkey is not a credible candidate at any time, for economic and social reasons. So for the moment we don't need to get into a cultural discussion, which might be difficult and disagreeable, on who is European?

We are talking in science fiction terms about what happens after the year 2000. If entry negotiations start with new countries in 1994 or 1995 they will not be completed until the 21st century. The Spanish and Portuguese negotiations took eight years.

Q. But future candidates could include Austria and Norway, and other smaller Mediterranean countries such as Malta and Cyprus.

WORLD BRIEFS

Israel Detains 2 Leading Palestinians

JERUSALEM (AP) — The police detained on Sunday two prominent Palestinians, one of whom had taken part in a conference with Israeli peace activists on the occupied territories. Eight other Arab activists were detained for questioning about their alleged involvement in recent stone-throwing attacks on Israeli buses and police vans, the police said.

Of the two Palestinians being held under an "administrative detention" order was Faisal Husseini, director of the Arab Studies Center in East Jerusalem. The center was closed Sunday for one year after police accused it of receiving financial support from the Palestine Liberation Organization. On Wednesday, Mr. Husseini joined in a public dialogue with Israeli peace activists at an auditorium in the predominantly Jewish sector of West Jerusalem.

The police also detained Mustafa Tawfiq Abu Zahara, head of an Arab merchants' group in Jerusalem, accusing him of organizing demonstrations and boycotts of Israeli products as well as inciting Palestinians not to pay taxes, a police spokesman said. The arrests were seen as an effort to forestall a broadening of PLO activities following a recent decision by King Hussein of Jordan to take a far less active role in the occupied West Bank and Gaza Strip.

Tunisian Leader Puts Stamp on Party

TUNIS (Reuters) — President Zine al-Abidine Ben Ali shook up the leadership of Tunisia's governing party on Sunday at the end of a three-day congress that represented a major departure from the 30-year rule of former President Habib Bourguiba.

Mr. Ben Ali appointed two-thirds of the party's central committee, putting his personal stamp on a party that Mr. Bourguiba had dominated since independence in 1956. In February, the party changed its name to Constitutional Democratic Assembly from the Destourian Socialist Party. The remainder of the committee was elected — a practice that Mr. Bourguiba dispensed with at the 1986 congress.

It was the party's first congress since Mr. Ben Ali took power in November, when Mr. Bourguiba, who will be 85 on Wednesday, was declared senile and forced to retire. Mr. Ben Ali, who changed nearly half the cabinet shortly before the congress began, dropped several members from the central committee who had served under Mr. Bourguiba. Other members linked with the Bourguiba era, however, remained on the committee.

Italy's Mafia Buster Seeks Transfer

ROME (Reuters) — Giovanni Falcone, the architect of an unprecedented mass trial of Mafia members last year and the most experienced member of a pool of anti-Mafia magistrates in the Sicilian capital of Palermo, has requested an immediate transfer to other duties.

In a letter released Saturday, Mr. Falcone cited obstruction and discord with his superior over the conduct of the fight against the crime syndicate as the reasons for his request.

His move heightens a crisis that broke last month with charges by a senior magistrate, backed by Mr. Falcone, that incompetence and misguided policies were crippling operations. The Supreme Council of Magistrates, the judiciary's governing body, met Saturday on the orders of President Francesco Cossiga to investigate the allegations.

Jetty Collapse Kills 30 Malaysians

KUALA LUMPUR, Malaysia (Reuters) — Thirty people were killed and 406 injured Sunday when part of a jetty collapsed in the northern Malaysian port of Butterworth.

At the time the jetty collapsed, 3,000 people were waiting to cross from Butterworth, on the west coast of the Malaysian peninsula, to the island of Penang for a religious festival that takes place once every 60 years.

China Rebuffs Senate on Arms Sales

BEIJING (AP) — A U.S. Senate measure calling on China to halt missile sales to the Middle East "brings harm to Sino-U.S. relations," the Chinese Foreign Ministry says.

The ministry statement, carried by the Xinhua news agency, was in response to an amendment to a State Department appropriations bill that was approved Wednesday by a vote of 97-0. The amendment declares that China should immediately halt its sale of ballistic missiles and other offensive weapons to nations in the Gulf area and Middle East. It also suggests the United States reassess its relations with China if the arms sales are not stopped.

The Foreign Ministry statement said: "China has always taken a prudent and responsible attitude toward arms sales. This amendment, which makes a big fuss about the so-called question of 'arms sales,' brings harm to Sino-U.S. relations. The Chinese government is firmly opposed to it."

TRAVEL UPDATE

14 Million Take to Roads in France

PARIS (AP) — French authorities said Sunday that an estimated 14 million French vacationers swarmed onto the roads over the weekend but that there were fewer traffic jams than in past years because many vacationers had staggered their departures.

Authorities were encouraging travelers not to leave on Monday, when traffic was expected to be heaviest, as departing August vacationers meet those returning from July holidays.

The situation was similar in Italy, where an estimated four million vacationers began the annual summer exodus to resorts in Italy, the French Riviera and Spain. Major traffic jams were also reported in parts of Belgium, West Germany and Britain.

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

- MONDAY: The Bahamas, Barbados, Canada, Grenada, Guyana, Iceland, Ireland, Jamaica, Nicaragua, Rwanda, Switzerland, Zaire, Zambia.
- TUESDAY: Costa Rica, Grenada.
- WEDNESDAY: El Salvador, Niger.
- THURSDAY: Burkina Faso, El Salvador.
- FRIDAY: El Salvador.
- SATURDAY: Bolivia.
- SUNDAY: Colombia.

Source: Morgan Guaranty Trust Co., Reuters.

Gorbachev Calms Bonn On His Aims

MOSCOW — The West German foreign minister, Hans-Dietrich Genscher, said on Sunday that Mikhail S. Gorbachev, the Soviet leader, had assured him that Moscow was not seeking to split the Western alliance between Europe and North America.

Mr. Genscher said at a news conference, after a day of talks with Mr. Gorbachev and Foreign Minister Eduard A. Shevardnadze, that he was now even more convinced that the Soviet Union was serious about a fundamental improvement in East-West relations.

"The Soviet side repeatedly underlined that it is neither its intention nor in its interest to try to separate Western Europe from the United States and Canada," he said.

"We agreed that it should be the objective of both East and West to deepen cooperation in such a way that it both strengthened peace and became an irreversible process," Mr. Genscher added.

He said he had also assured Mr. Gorbachev during a meeting on Saturday that the creation of a unified domestic market within the European Community in 1992 would not become a barrier to European cooperation.

"I said we were not interested in



Mr. Genscher, left, meeting Mr. Gorbachev in the Kremlin.

using the bricks of the walls we were pulling down within Europe to build walls higher around the community," Mr. Genscher said during the news conference, which was held before his departure for Bonn.

Mr. Genscher arrived Friday for talks to prepare for a visit, probably in October, by Chancellor Hel-

mut Kohl. Mr. Gorbachev is expected to go to West Germany in the first half of 1989.

Mr. Genscher said he felt his Moscow talks had helped open the way for progress in East-West discussions in Vienna on a mandate for full-scale negotiations on conventional force cuts throughout Europe.

Pakistani Explains Slip On Soviet Troop Pullout

By Don Oberdorfer, Washington Post Service

WASHINGTON — The foreign minister of Pakistan believes the Soviet Union is withdrawing its forces from Afghanistan on schedule and that Pakistani accusations to the contrary were based on erroneous information attributed by a United Nations official to a Soviet general.

The statement of Foreign Minister Sahabzada Yaqub Khan, in an interview last week with editors and reporters of The Washington Post, cast new light on a flurry of recent accusations about the withdrawal.

The controversy was touched off by President Mohammad Zia ul-Haq of Pakistan, who said on July 23 that he had received reports that the Soviet Union had stopped its withdrawal and sent as many as 10,000 soldiers back into Afghanistan.

Mr. Yaqub Khan said on Friday that the source of President Zia's statement was a report to Pakistan by Benji Sevan, a political adviser of the UN observer group in Afghanistan, who in turn quoted a Soviet general with command responsibility for the pullout.

According to this account, the Soviet general said on July 21 that, because of Moscow's dissatisfaction with Pakistani and Afghan guerrilla compliance with the Geneva accords on ending the conflict

U.S. Group Cites Abuses In Tibet

By Edward A. Gargan, New York Times Service

BEIJING — A Washington-based human rights organization has accused China of committing gross violations of the human rights of Tibetans during the past year.

The group, Asia Watch, said, "Human rights violations there are severe and warrant strong international concern."

Asia Watch was established in 1985 and is associated with two other human rights monitoring groups, Helsinki Watch and Americas Watch.

Asia Watch based its report on a variety of sources, including foreign press accounts, translations of Chinese newspapers and reports of foreign visitors to the region. Still, the chairman of the organization said, it has been difficult to assess the precise dimensions of the situation.

"The Chinese government has severely restricted access to the territory and, as a result, practices have largely escaped scrutiny," said Jack Greenberg, chairman of Asia Watch and professor of law at Columbia University in New York, in written comments accompanying the report.

"Serious abuses of human rights continue and are now largely unchecked by the kind of international attention that accompanied the suppression of the fall protests," the report continued, in a reference to three violent protests by Tibetan Buddhist monks that were crushed by the Chinese authorities in October 1987.

China says it has exercised sovereignty over Tibet since the 13th century. Many Tibetans, however, dispute this assertion and believe that they should be accorded independence under the leadership of the Dalai Lama, the spiritual leader of Tibet who is living in exile in India. All foreign countries formally recognize China's claim to the region.

The Asia Watch report describes in some detail the events surrounding a riot that occurred on March 5, the final day of Tibet's major annual religious festival, during which Chinese police were said to have fired on the Tibetan protesters. According to Asia Watch, as many as 10,000 Tibetans were involved in that confrontation with the police.

Asia Watch also accused the Chinese of torturing Tibetan prisoners, particularly during the period surrounding the March 5 demonstration.

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Anglicans Seek Unity On Women

Canterbury, England

CANTERBURY, England — Anglican leaders from around the world met for prayer Sunday, on the eve of a decisive vote on the ordination of women that could split the church.

The Anglican Communion, a worldwide grouping of national Anglican churches, agreed in 1978 to leave the choice of ordaining female priests to individual churches.

The 525 bishops attending a conference in Canterbury are divided between those who have ordained women as priests and now want to consecrate them as bishops, and those who are totally opposed to female priests.

Robert Runcie, the archbishop of Canterbury and spiritual leader of the 70-million-member communion, has been struggling to maintain church unity and believes a compromise is still possible before the vote on Monday.

The issue was thrown further into controversy on Saturday when Prime Minister Margaret Thatcher of Britain told Australian television that she did not find the ordination of women at odds with Christian doctrine.

Her remark caused surprise and dismay among traditionalist bishops, who said the issue was a theological one on which Mrs. Thatcher has no competence.

Although the resolution to be voted on is very similar to the 1978 compromise, the gap between the two camps has widened.

Part of the resolution says the conference resolves that each province, or church, "respect the decision and attitudes of other provinces, whether in favor or against the ordination of women to the episcopate, maintaining the highest degree of communion with provinces which differ."

Under the resolution, Archbishop Runcie is to set up a commission to work out a protocol for relations between churches that have female bishops and those that do not.

Bishops in Canada, the United States, New Zealand, Brazil and Hong Kong have ordained about 1,000 female priests and now want to consecrate female bishops. In other countries, bishops have threatened to take their faiths to the more traditional Roman Catholic and Orthodox churches if the resolution is approved.

The Church of England has taken steps toward the ordination of female priests but is still divided over the issue.

India Mired in Sri Lankan Civil War

Tamil Rebels Thwart Yearlong Effort to End Violence

By Steven R. Weisman, New York Times Service

NEW DELHI — One year after sponsoring an accord to end the conflict in Sri Lanka, India remains mired in its island neighbor's bloody civil war with little prospect of ending the violence, imposing a settlement or bringing home its 50,000 troops.

An Indian official said last week that more than 2,000 people, including 330 Indian soldiers, had been killed in Sri Lanka since Indian troops were sent to the island last year with the purpose of overseeing an end to hostilities. Other estimates suggest the death toll is much higher.

By all accounts, fighting continues almost daily between the Indian forces and ethnic Tamil guerrillas who seek an independent nation in northern and eastern Sri Lanka. Meanwhile, the army of Sri Lanka has been busy in the south, combating assassinations and firebombings by Sinhalese extremists.

Tension between the primarily Buddhist Sinhalese, who make up about 75 percent of the population of 16 million, and the primarily Hindu Tamils, who make up about 18 percent of the total population, has long divided Sri Lanka.

At least 9,000 people have died and many hundreds of thousands have been made refugees since 1983, when ethnic Tamil insurgents began clashing with the Sri Lankan army in the north and east, seeking to create a separate nation known as Tamil Eelam.

The last few weeks have brought a comparative lull in the fighting in Tamil areas while India tried to revive the idea of a political settlement, but Indian and Sri Lankan officials, as well as Tamil spokesmen, said in interviews that these efforts appear to have failed.

Officials in Sri Lanka and India say the disagreement between New Delhi and the guerrillas runs deep because the guerrillas are afraid that any compromise will make them instant targets for assassination by Sri Lankan authorities or by rival Tamil guerrilla groups.

Prime Minister Rajiv Gandhi of India called last week on guerrillas to "display the courage required to participate in the political process" but said the signals in return were mixed.

New Delhi sympathized with the guerrilla cause in its early stages, largely because of the kinship felt by the 50 million Tamils in India. But by last year, Mr. Gandhi had reversed course and was pressing for a settlement.

India's attempt to mediate culminated in an accord with President Junius R. Jayawardene of Sri Lanka that was signed on July 29 of last year. In it, the Sri Lankan leader granted greater political autonomy to Tamil areas in return for the guerrillas surrendering weapons to Indian troops.

The main Tamil guerrilla group, the Liberation Tigers of Tamil Eelam, objected to the arrangement

but initially agreed to abide by its terms.

After surrendering some weapons, however, the guerrilla group changed its mind and attacked both Sinhalese civilians and Indian soldiers. Mr. Gandhi responded in October by ordering that the rebels be disarmed and increasing troop strength in Sri Lanka from 20,000 to 50,000 men.

After a bloody campaign, the Indian Army is widely believed to have succeeded in securing Tamil areas of the north and east. But the rebels apparently still move around freely, planting mines and attacking.

Roughly two-thirds of the Tamils in Sri Lanka, descendants of people who have lived on the island for centuries, are associated with the demand for self-government.

The remaining third are so-called Indian Tamils, primarily workers in tea plantations, whose forebears came to Sri Lanka in the 19th century. This group is not agitating for independence.

Most experts and officials say that without participation by the Liberation Tigers, there can be no political autonomy for Tamil areas, no elections and, ultimately, no restoration of stability.

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D BRIEFS

Leading Palestinian... police detained on Sunday two prominent... ad taken part in a conference with Israeli...

Party Stamp on Party... Zaki al-Abidine Ben Ali took part in the... party on Sunday at the end of a three...

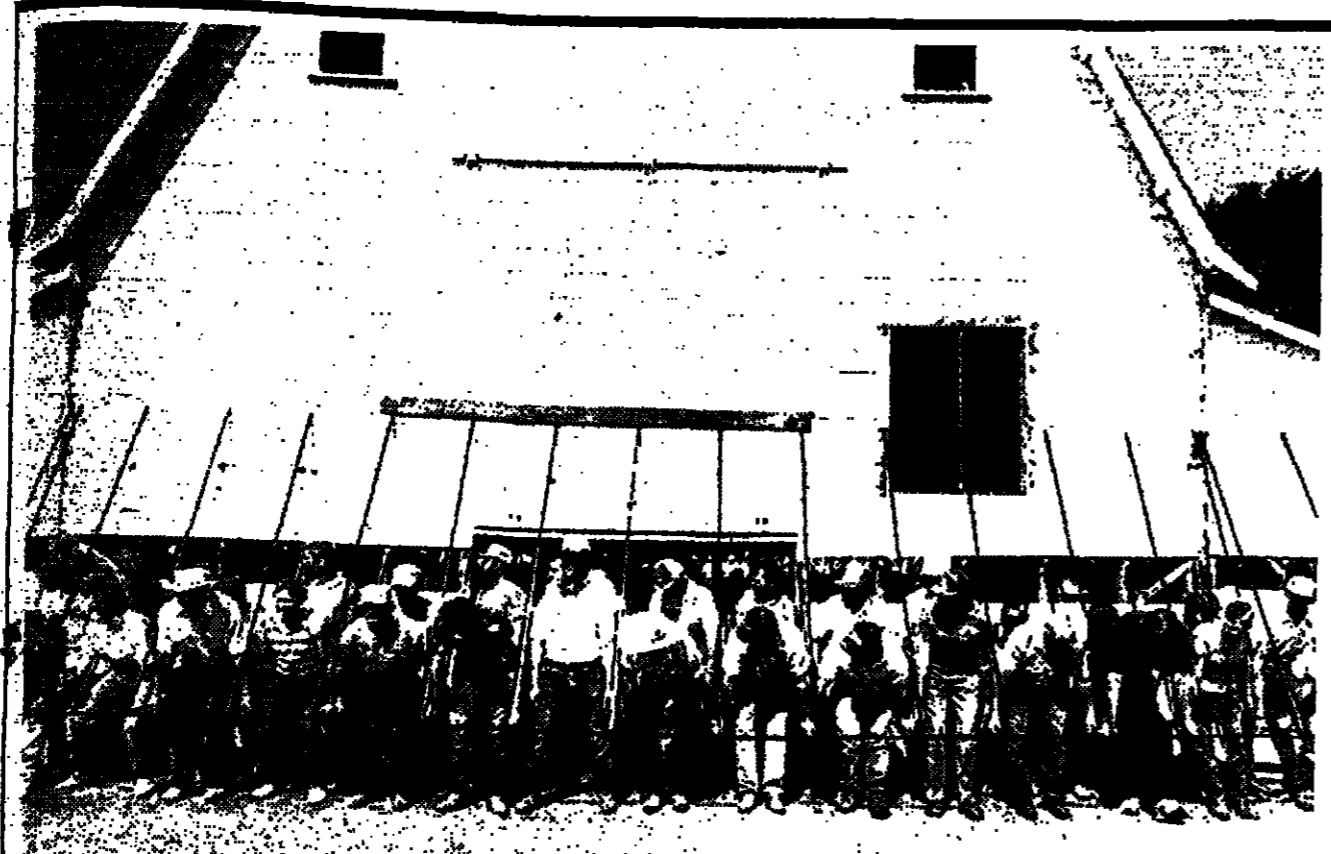
Master Seeks Transfer... Falanga, the architect of an... transfer in the Sicilian capital of...

Kills 30 Malians... Twenty people were killed... in the north...

Senate on Arms Sales... Senate panel is calling on China to... arms sales...

EL UPDATE... ke to Roads in France... an estimated...

ankan Civil War... Effort to End Violence... an estimated...



TOTE THAT BARN — Some of the estimated 328 persons who got together to move a barn in Bruno, Nebraska, as part of the town's 100th birthday celebration. The volunteers took about 20 minutes to carry the barn about 10 feet east, then 100 feet north.

AMERICAN TOPICS

Study Finds 2 Sides To Teens' Drug Use

The vast majority of teen-agers who occasionally drink or use drugs suffer no lasting ill effects and cannot be distinguished in later years from teen-agers who abstained. The New York Times reports. But the small minority who become heavy users of hard drugs and alcohol develop serious problems in young adulthood.

four years later, while in their early 20s, for a follow-up survey. Light drug use was defined as once a month or less; medium, weekly or less; and heavy, more than once a week.

The study throws into question the effectiveness of the federal government's "just say no" approach to teen-age drug use, said one of the psychology professors who conducted the survey, Michael Newcomb.

Short Takes The only U.S. Italian-language daily newspaper, Il Progresso Italo Americano, reappeared last week for the first time since a labor dispute shut the 108-year-old paper on June 20.

own Italian-language daily. An English-made automated dry-cleaning machine in Manhattan does not clean garments, but swallows them, when presented with a credit card, for cleaning and pressing in the adjoining shop.

Notes About People Dean Rusk, who frequently put in 16-hour days as secretary of state for eight years in the Kennedy and Johnson administrations and is now in poor health at 79, told David Ignatius of The Washington Post, "I still remember the moment that President Nixon finished his oath of office. I felt an indescribable sense of exhilaration, of liberation. Because it was not my responsibility any more."

Justice Harry A. Blackmun of the U.S. Supreme Court says that when Anthony M. Kennedy was nominated for the court, he sent him a letter welcoming him to "the good old Number Three Club, because I was the third choice in 1970" of President Richard Nixon.

A great-great uncle of Senator Lloyd Bentsen of Texas, the Democratic nominee for vice president, also served as vice president, also served as vice president, also served as vice president.

Denver Shows Perils of Airport-Building

By Andrew H. Malcolm New York Times Service

DENVER — The tortuous effort to replace Denver's airport is an example of how local wrangling over the building of a new airport can affect the efficiency of the national air transportation system.

A new airport at Denver, a major airline hub, would greatly ease recurring delays that disrupt airline schedules throughout the country.

typically marks the relationship between big cities and their rural neighbors, the approval was a major political achievement.

But historically, transportation terminals have been an important factor in a community's well-being, as early Denver residents recognized when the transcontinental railroad chose a Wyoming route. They promptly raised money to build a spur linking their city to it.

Doughty, the airport manager, who was hired from Cleveland in 1984. His first decision was to buy so much snow-removal equipment that the airport now is better equipped than the city of Denver.

Talk of a new airport began 20 years ago. But where to put it? Numerous sites were studied while city officials began emphasizing the economic benefits of the project.

When completed, the new field will employ 34,000 people. Adams County was also enticed by anticipated tax revenues: One new hotel could pay more county taxes than all the annexed farmland.

The final deal gave Denver the right to buy and annex the 45 square miles, now privately owned wheat fields and grazing lands where blackbirds sing and roadside peddlers sell tacos to passing trucks.

Denver may yet offer lessons for other cities whose airfields are hard-pressed to handle today's traffic, let alone the 800 million passengers a year projected for the late 1990s.

buy the empty land for what was to become the nation's sixth-busiest airfield. Today, like airports all over America, it is surrounded by houses, hotels and businesses, which are both a measure of the field's economic success and a noose on its expansion.

lition airfield will open in the mid-1990s with six runways capable of handling 653,000 landings and departures a year and \$1.6 million passengers, with planned expansion to 110 million passengers a year and 1.2 million landings and departures on 12 runways.

"This was really a win-win situation for everyone," Mr. Doughty said. Not quite. Negotiations with Continental and United Airlines, which jointly control nearly 90 percent of Denver's air traffic, have stalled over rent.

To counteract the airlines' concern, officials say they have offered to guarantee cost to the airlines. They suggest that the opposition is really based on reluctance to open Denver to new airline competition.

Dukakis Steps Up Criticism Of Administration's Ethics

Washington Post Service

RALEIGH, North Carolina — Riding the wave of enthusiasm generated by the Democratic National Convention, Governor Michael S. Dukakis of Massachusetts has stepped up his criticism of the ethical standards of the Reagan administration, which he compared to a rotting fish.

using Mr. Reagan of personally setting a low ethical standard. But Mr. Dukakis, who said that no chief executive could know everything that happens in his administration, repeatedly asserted that responsibility for an administration's ethical tone "starts at the top."

Senator Shums Bush Ticket WASHINGTON — Senator Nancy Landon Kassebaum, Republican of Kansas, said in an interview Sunday that she did not want to be the Vice President George Bush's running mate.

encouraging "a contempt for public service" within the government and said that "it's the guy at the top who has to be held accountable."

For Castro, Gorbachevism Is a Heresy

By Joseph B. Treaster New York Times Service

HAVANA — For too many months, it seems, President Fidel Castro has been hearing echoes in Cuba about the virtues of reforms that have been sweeping the Soviet Union, his economic and military supporter for nearly 30 years.

So far, rectification has been more rhetorical than revolutionary. Hardly anyone besides Mr. Castro seems excited about it. Concrete changes are hard to find, and some Cubans say they expect it will slowly fade away.

NEWS ANALYSIS down the independent farmers' markets that had been the keystone of a limited venture into free enterprise and all but eliminating bonuses and other material incentives that he had installed on the recommendation of the Soviet Union years earlier.

Other Marxist countries are unlikely to mimic Cuba's policies, even if they are equally reluctant to plunge into Gorbachev-style restructuring. Specifically referring to Nicaragua, which itself has vacillated in its choice of economic policies, Mr. Castro said he would not proselytize on rectification.

Western diplomats say nothing suggests that the Soviet Union, whose economic aid of \$10 billion a day keeps Cuba going, is trying to impose its new ways. Last November, Mr. Castro stood with Mr. Gorbachev at a parade in Red Square and met twice with him in the Kremlin. Back home, he said it had been his best visit ever.

Mr. Castro says Cuba has to maintain its ideological purity as a defense against the influence of the imperialist colossus 90 miles (145 kilometers) to the north. But some diplomats say they think Mr. Castro's real concern seems to be in maintaining his supremacy in a nation that he has almost totally dominated since 1959.

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Central Americans Thwart U.S. Call For Strong Criticism of Sandinistas

By Stephen Kinzer New York Times Service

SAN JOSE, Costa Rica — The United States has been rebuffed in an effort to win a strong denunciation of Nicaragua by Central American foreign ministers, according to senior Costa Rican and Guatemalan officials.

Mr. Shultz's trip is to win direct or indirect support for the bill from regional leaders. "The secretary of state reaffirmed his government's willingness to contribute effectively and significantly to the defense of the democratic governments of Central America who ask for it," the draft said.

Inter-American Rights Court Finds Honduras Guilty in Disappearance SAN JOSE, Costa Rica — In the first verdict of its kind, the Inter-American Court of Human Rights has found the Honduran government guilty in the disappearance of a Honduran citizen in 1981.

Mr. Shultz's trip is to win direct or indirect support for the bill from regional leaders. "The secretary of state reaffirmed his government's willingness to contribute effectively and significantly to the defense of the democratic governments of Central America who ask for it," the draft said.

judgment fully," said a spokesman, Lisandro Quesada. "If we have to pay compensation to the family of the disappeared person, it has to be done."

Friday marked the first time that the court has issued a direct verdict against a government. One official said it was the first time that a judicial body has condemned a country for human rights violations after the country accepted the body's legitimacy.

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Dissident Is Detained Along With Journalist By New Burma Regime

Reuters
BANGKOK — Burma's most outspoken dissident, U Aung Gyi, has been detained days after a power shift in the secretive socialist state, according to diplomatic sources.
 The diplomats said U Aung Gyi, a retired brigadier general, and several of his associates were picked up late Friday evening.
 A veteran correspondent of The Associated Press, U Sein Win, was also detained, they said. The diplomats were contacted in Rangoon by telephone.
 In Washington, the U.S. State Department said as many as 25 people may have been arrested since Friday.
 The U.S. Embassy in Rangoon was making inquiries about The Associated Press correspondent, but a department spokesman said it is limited in what it can do because U Sein Win is a Burmese, not a U.S., citizen.
 U Aung Gyi wrote at least five open letters to U Sein Win, the former leader of Burma, demanding economic reforms and respect for human rights.
 U Sein Win ruled with an iron hand for 26 years after taking power in a 1962 coup, but he was replaced Tuesday as leader of the ruling Burma Socialist Program Party by U Sein Lwin, a longtime ally.
 U Sein Lwin has been responsible for suppressing dissent since 1962 and is hated and feared by opposition groups.
 Diplomats said the detentions appeared to be the first act by the new leader to stamp out further dissent and to prevent any open reporting of events in the country. Foreign journalists are not given visas to enter Burma.
 U Aung Gyi, 70, helped U Sein Win seize power in the 1962 coup but was purged a year later.
 He was strongly condemned last weekend by delegates at the emergency congress of the Burma Socialist Program Party that approved the change of leadership.
 U Sein Win, 66, has worked for nearly 20 years with The Associated Press. He is the former owner and publisher of the Guardian, a Rangoon newspaper that has since become an organ for official views.
 U Sein Win was arrested and jailed for his journalism in the last years of the democratically elected government that was overthrown in 1962 and in the first year of the military rule under U Sein Win. He was awarded the Golden Pen of Freedom by the International Federation of Journalists in 1963 for his work in fostering a free press.

Factions in U.S. May Compromise And Allow Sale of Arms to Kuwait

By Robert Pear
New York Times Service
WASHINGTON — The Reagan administration is negotiating a compromise with opponents of arms sales to Arab countries that would permit the United States to sell \$1.9 billion worth of warplanes, missiles and bombs to Kuwait.
 The outlines of the compromise were worked out last week in discussions involving Lieutenant General Colin L. Powell of the National Security Council, members of Congress and representatives of American Jewish groups.
 The compromise would end a dispute that began in May when the administration announced plans to sell 40 F-18 fighters and 300 Maverick missiles to help Kuwait protect itself from Iran.
 Under the compromise, Kuwait would get most of the weapons it wanted, but restrictions intended to minimize any threat to Israel would be added. The desire for a compromise has increased dramatically in the weeks since Britain consummated a huge deal with Saudi Arabia, supplanting the United States as the main source of arms for the Saudis.
 Over the last year, Kuwait has developed a closer relationship with the United States as American warships have escorted its tankers through the Gulf.
 The politics of the Kuwaiti sale, one of the biggest proposed by Mr. Reagan this year, are unusual in several respects:

- American Jewish groups, often united in opposing arms sales to Arab countries, were divided over the efforts to block the sale to Kuwait. Abraham H. Foxman, national director of the Anti-Defamation League of B'nai B'rith, said his group would not "go to the mat" in fighting the sale because "we are not sure it poses a great risk to Israel's security."
- The American Israel Public Affairs Committee, the leading pro-Israel lobby in Washington, opposed key elements of the sale more forcefully than the government of Israel. In principle, Israel opposes arms sales to any country that has not joined the Middle East peace process. In fact, Israel did not actively resist this sale.
- Senator Dennis DeConcini, Democrat of Arizona, led opposition to the sale even though the Maverick is manufactured in his home state. The Senate voted to prohibit the sale of Maverick missiles to any country on the Gulf just hours after Mr. Reagan formally notified Congress on July 7 of his plan to sell arms to Kuwait. The restriction was proposed by Mr. DeConcini, who is profoundly concerned about the spread of high-technology weapons in the region.
- The prospect of a cease-fire in the Iran-Iraq war has upended many arguments by proponents of the sale, including the State Department, which is reassessing its position. Iraq may soon loom as a

New Zealand Ires Nuclear Foes Over U.S. Antarctic Flights

By Michael Richardson
International Herald Tribune
CHRISTCHURCH, New Zealand — Construction of a major international Antarctic supply base here will move forward because New Zealand has decided not to insist on the nuclear-free assurances that have disrupted its defense ties with the United States, officials of both countries say.
 Instead, the government in Wellington has agreed to grant blanket clearance each year for all American supply flights through the base in Christchurch.
 Most of the flights are operated by the U.S. Navy and Air Force.
 The Antarctic logistics operation is considered so important that both the New Zealand and U.S. governments have gone to considerable lengths to ensure that it does not become embroiled in their dispute over nuclear ships.
 That dispute began in 1985, not long after the election of a Labor government in New Zealand under Prime Minister David Lange. It has disrupted mutual defense ties between Wellington and Washington under the long-standing ANZUS treaty, which also involves Australia.
 Since signing an Antarctic supply agreement with the United States in 1958, New Zealand has become the logistic hub for bases of both countries.
 The United States is already the major user of Antarctic supply facilities in New Zealand and is expected to be the main foreign customer for the new Christchurch complex.
 To prevent potential adversaries from knowing which of its ships and planes are nuclear-armed, the United States will neither confirm nor deny the presence of such weapons.
 The United States halted joint military operations and suspended its security guarantee with New Zealand in 1986 after Mr. Lange's government applied a nuclear-free policy that made it impossible for U.S. warships capable of carrying nuclear arms to visit New Zealand.
 With encouragement from Washington, the government in Wellington and Christchurch city authorities are developing plans for a new center that would support research, exploration and tourism in Antarctica, the least-known region of the planet.
 The center, which will cost about 30 million New Zealand dollars and will be located close to the Christchurch airport, could open in 1991.

A logistics operation, run by the U.S. Navy and known as "Operation Deep Freeze," moves thousands of tons of cargo and hundreds of people each year by air between Christchurch and McMurdo Station, the main American base in Antarctica.
 New Zealand research stations are supplied by the U.S. airlift.
 The operation is run by the U.S. Navy under contract to the National Science Foundation, an independent agency of the U.S. government.
 Under the terms of the anti-nuclear legislation passed by New Zealand, Mr. Lange must satisfy himself that U.S. ships and aircraft are not carrying nuclear devices before they are granted approval to dock or land.
 New Zealand officials said that U.S. military transport flights carrying mail, goods or personnel for Antarctica were allowed through without cargo checks.
 Geoffrey Palmer, New Zealand's deputy prime minister, said, "We have given clearance for that to happen because we have got no doubt that it is perfectly compatible with our nuclear-free policies."
 Mr. Lange has said that the United States would not "want to carry valuable and dangerous devices around the South Pacific for no purpose" on routine supply flights operated by the U.S. Air Force.
 However, Robert L. Leonard, who heads a group of activists in Christchurch demanding an end to U.S. military involvement in Antarctic activities, said that granting blanket clearance for all American supply flights "leaves New Zealand wide open to possible violation" of its nuclear-free zone.
 Kevin P. Clements, senior lecturer in sociology at the University of Canterbury in Christchurch, said the government justified its blanket clearance because the 1959 Antarctic Treaty, which the U.S. signed, banned nuclear weapons from the area.
 But Mr. Leonard said the clearance also covered an average of two air force C-141 Starliner flights a week into Christchurch—one from U.S. communications bases in Australia and the other from Hawaii.
 These flights, Mr. Clements said, "could be carrying nuclear weapons, although that is highly unlikely because they never have armed guards or any obvious security in place."

Iranian defense industry workers at a Tehran rally, one of many recent meetings that have produced volunteers for the war with Iraq.

GULF: Tehran Envoy Says Iran Will Halt Attacks in Gulf During Talks
(Continued from page 1)
 anything" so that UN Resolution 598 would "become a reality."
 He said that, with cease-fire talks under way at the United Nations, he expected "the American flag to come down from the Kuwaiti tankers soon."
 He also said he believed that the United States would stop providing naval escort for Kuwaiti tankers in the Gulf.
 Representatives of Iran and Iraq are holding separate talks in New York with the UN secretary-general, Javier Pérez de Cuellar, to arrange the cease-fire.
 On the hostages being held in Lebanon, Mr. Besharati said: "So far, no Western country has negotiated the hostage issue with us. If they did so, we promise to use all our influence to release them."
 The Iranian news agency IRNA, monitored in Nicaragua, said Sunday that Iranian troops and irregular forces pushed back Iraqi troops that had crossed the central frontier near Mehran. The agency said that Iranian forces inflicted heavy losses on the Iraqis.
 A separate report on Tehran Radio said Iranian forces had entered Qasr-e Shirin, a town on the central front from which Iraq said it withdrew on Saturday. The town is one of several recently occupied by Iraq in its effort to secure a strong bargaining position in talks on ending the war.
 (AP, UPI, Reuters)



Iranian defense industry workers at a Tehran rally, one of many recent meetings that have produced volunteers for the war with Iraq.

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INTERNATIONAL Herald Tribune
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OZONE: Pollution Levels Soar

(Continued from page 1)
 cinnati the peak was 31 percent higher and in Chicago 36 percent.
 Ozone is an unstable form of oxygen in which three atoms, rather than the normal two, bind together. Most of the ozone at ground level is formed when pollutants — particularly hydrocarbons and nitrogen oxides from a wide variety of sources, including motor vehicles, factories and small sources like paint shops and dry cleaning stores — react with sunlight.
 The resulting ozone, together with solid particles and other pollutants, constitutes smog and odor. The more sunlight and the higher the temperatures, the more ozone and smog are formed. Low wind velocities and poor air circulation also cause ozone levels to build up.
 This summer, with its hot, dry weather and stagnant air in the United States, has been ideal for the creation of ozone. In addition, the pollution sources of ozone are growing with the population and expanding economy. The warming of the planet, caused by other industrial pollutants, seems likely to worsen the ozone problem, too, said Richard E. Ayres, a lawyer for the Natural Resources Defense Council and chairman of the National Clean Air Coalition.
 Researchers had long established that ozone causes breathing problems for asthmatics and people doing heavy exercise who are exposed to a high level of it over a brief period.
 Now tests conducted at Environmental Protection Agency laboratories are finding that exposure to lower levels over a period of six or eight hours can also cause substantial respiratory problems in healthy people as well as in people with lung diseases.
 Even more troublesome, in the view of public health officials interviewed last week, are recent animal studies that suggest that chronic exposure causes permanent damage to lungs, including premature aging of the lungs.

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Israel's Begin May Speak Out About Lebanon

Jerusalem — Menachem Begin, the former prime minister of Israel who made peace with Egypt in 1978 and resigned abruptly in 1983, a year after the Israeli invasion of Lebanon, indicated on Sunday that he would end his silence on the invasion. He asked a reporter to call his secretary for an appointment.
 Mr. Begin resigned without explanation and went into seclusion in his home. Israelis said he was depressed by the growing toll of Israeli dead in Lebanon — more than 300 when he quit — and also by the death of his wife, Aliza.
 An Armed Forces Radio reporter, calling Mr. Begin to congratulate him on his 75th birthday, asked when the Israelis could expect to hear from him on Lebanon.
 "Today," Mr. Begin responded with a laugh, then added: "One of these days. Speak with Yehiel Kadishai. We'll set up a time to talk about various subjects."

JORDAN: Hussein Yields West Bank Claims to PLO

(Continued from page 1)
 tion that the struggle to liberate the occupied Palestinian land could be enhanced by dismantling the legal and administrative links between the two banks, we have to fulfill our duty and do what is required of us," the king said in a clear reference to the Algiers summit meeting.
 He added: "These steps were taken only in response to the wish of the Palestine Liberation Organization, the sole legitimate representative of the Palestinian people and the prevailing Arab conviction that such measures will contribute to the struggle of the Palestinian people and their glorious uprising."
 ■ Hussein Dissolves House
Loren Jenkins of The Washington Post reported Sunday from Jerusalem:
 In a move to distance his kingdom from the Israeli-occupied West Bank, King Hussein on Saturday dissolved the lower house of the National Assembly, half of whose seats were held by Palestinians from the West Bank.
 The royal decree gave no explanation for the king's move.
 The dissolution of the House of Representatives, the main — though largely symbolic — voice of West Bank Palestinians in the Jordanian government, was the second act in three days by the king to reduce his ties to the West Bank.
 On Thursday he canceled an ambitious development plan for the West Bank that was supposed to spend up to \$1.3 billion in the occupied territories over five years.
 Since losing the West Bank to Israel in the 1967 Arab-Israeli war, Jordan has funded social and economic development there, paid salaries to 13,000 territorial civil servants, provided West Bank residents with Jordanian passports and permitted them to travel to Jordan for business and commerce.
 Officials at the palace said that King Hussein's actions were part of a dual strategy to silence PLO and other Arab critics of Jordan's longtime role in the West Bank while making it clear to the PLO and West Bank residents that Jordan still has a role to play in the occupied territories.
 The king apparently has been stung by his waning prestige and influence in the occupied territories since the Palestinian uprising began in December. At the same time, the PLO's influence has grown as it has gradually taken over direction of the uprising.
 Jordanian officials left open the possibility that the king will take other actions aimed at emphasizing Jordan's importance to West Bank Palestinians, such as reducing their access to the East Bank or limiting access to Jordanian passports.

SOVIET: Military's Role and Power Under Scrutiny

(Continued from page 1)
 Cuban missile crisis.
 Some reformers have suggested that unilateral reductions can be made in Soviet conventional forces without sacrificing security.
 Others have emphasized the need to avoid matching every weapons deployment by the West, and the value of measuring strategic parity by weapons capabilities instead of absolute numbers — again leaving room for a slackening of the Soviet military effort.
 A few experts have proposed that both sides can reduce nuclear armaments to low levels for a "minimum deterrence." Others have begun to suggest elimination, on a reciprocal basis, of offensive military forces, such as marines, tank units and paratroopers.
 Some of these ideas have angered professional military officers, who until recently had monopolized what little public discussion occurs in the Soviet Union on military doctrine. One of their responses has been to subtly undermine the reforms by stressing how little Mr. Gorbachev's ideas differ from current policy.
 For example, General Vitali M. Shabanov, first deputy minister of defense for armaments since 1978, remarked in an interview that the government's new announcement of a defensive military doctrine "constitutes a tremendous political and statesmanlike step."
 "That is my first point," he added. "My second point is that Soviet military doctrine has always been defensive." General Yazov has similarly described Mr. Gorbachev's proposal as requiring armed forces adequate "to reliably ensure collective defense of the socialist community" a limit that is "determined not by us but by the actions of the U.S.A. and NATO."
 Officially, Mr. Gorbachev's new doctrine is said to mean that forces on both sides should be incapable of conducting broad offensive or surprise military operations.
 Edward L. Warner, points out that General Yazov wrote last October in a pamphlet distributed to tens of thousands of military officers that "it is impossible to rout an aggressor with defense alone" and that troops "must be able to conduct a decisive offensive" after repelling an attack.
 A Foreign Ministry official dismissed the pamphlet by suggesting that "military thinking is subject to inertia."

Mandela, Vi Denies U.S. Controls His

By John D. Battersby
JOHANNESBURG — Nelson Mandela, speaking at a public meeting here, has repudiated a claim by a North Carolina newspaper that he represents the Mandela family and that the newspaper had been given power of attorney to represent the Mandela family and to prevent the use of the name of the imprisoned anti-apartheid leader in any of its publications.
 The statement was made by Mandela on his way to Johannesburg to meet with U.S. President Ronald Reagan's wife, Nancy, who is visiting the city since 1975. It appeared before she was due to leave for the African National Congress's 50th anniversary celebrations and the start of a tour of the anti-apartheid movement in the United States and Canada.
 The statement also said that the newspaper had been given power of attorney to represent the Mandela family and to prevent the use of the name of the imprisoned anti-apartheid leader in any of its publications.

Italian Ship Sails From Nigeria With Toxic Waste

The Associated Press
LAGOS — An Italian ship is sailing with 16 containers of toxic waste removed from the Nigerian port of Koko, where it had been seized by a court here last week.
 The ship's destination was not announced. It was one of two ships loaded with toxic waste (mostly dumped 20 kilometers off the coast) by Nigerian military forces last week.
 The waste, which Nigerian newspapers said had originated in 10 European countries, was unloaded in August 1987. Nigerian newspapers published the African shipping companies throughout Africa, warning that they would be used to dump the waste.
 He said the group would make sure there was no further secret dumping of toxic waste.

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Mandela, Via Lawyer, Denies U.S. Consultant Controls His Interests

By John D. Battersby

JOHANNESBURG — Nelson Mandela, speaking through his lawyer, has repudiated a claim by a public relations consultant from North Carolina who said that he had been given power of attorney to represent the Mandela family interests and prevent "the rip-off" of the imprisoned anti-apartheid leader's name.

The statement attributed to Mr. Mandela was issued Saturday by Ismail Ayob, a Johannesburg lawyer who has represented Mr. Mandela since 1972. It appeared to bring into the open a dispute between his wife, Winnie, and the African National Congress, the exiled anti-apartheid movement, over who can authorize use of the Mandela name and control the disbursement of proceeds from concerts, movies, T-shirts and buttons.

To the extent that there has been such a conflict, Mr. Mandela was plainly siding with his movement and not his wife.

Mrs. Mandela was at the side of Robert J. Brown, the North Carolina consultant, when he announced last week that he had been given power of attorney to prevent financial exploitation of the Mandela name. Mr. Brown, a conservative Republican, first became controversial in a South African context in 1986 when it became known that he was President Ronald Reagan's choice to be the first black U.S. ambassador to South Africa.

Before it could be formally made, the nomination was torpedoed by reports of Mr. Brown's close business ties to a Nigerian politician, Umaru Dikko, who is accused by the present authorities in Lagos of having absconded with hundreds of millions of dollars.

When he announced his arrangement with Mrs. Mandela, Mr. Brown was standing outside Pollsmoor Prison, near Cape Town, where the two had just visited Mr. Mandela, who has been imprisoned for nearly 26 years.

The announcement spread consternation among Mr. Mandela's supporters, who voiced the fear that his moral authority, based on the reputation for selfless sacrifice he has earned in jail, might be eroded if the impression spread that his family was prepared to profit by his name.



Children helping a woman who was hurt in a bomb explosion in a Johannesburg suburb. One person was killed and 57 were injured.

Mozambique's Ragtag Rebels Fight On

By John D. Battersby

GORONGOSA DISTRICT, Mozambique — In the heart of Mozambique, a ragtag rebel army of the Mozambique National Resistance Movement continues to plot the destruction of the country's ailing transport and electricity network from the seclusion of these shifting forest headquarters.

In spite of a two-year offensive by Mozambiquean, Zimbabwean and Tanzanian troops, the ragtag rebel army of the Mozambique National Resistance Movement, known by its Portuguese acronym Frelimo, has survived and even stepped up its attacks.

Renamo, commanded by Afonso Dhlakama, 35, a former supporter of the governing party, had its origins as a mercenary force sponsored by Rhodesia, and later received South African support.

More recently, the guerrillas, thought to number between 15,000 and 20,000, have lost much of their foreign support, but have managed to continue attacks on railroads, roads and electricity lines, as well as staging frequent hit-and-run attacks on towns held by the Mozambique Army. Because of the extensive Renamo presence in much of rural Mozambique, many of these towns have been turned into virtual islands, reachable only by air.

In the attacks the rebels seize arms, ammunition, uniforms and medicines. They do not attempt to hold the towns, preferring to move on and returning only when looted goods have been replenished.

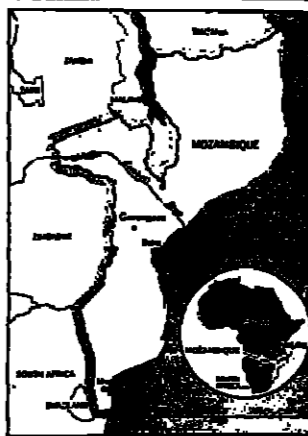
A three-day visit to a remote and well-guarded Renamo base in So-fala Province, about 65 kilometers (40 miles) from the nearest government base, revealed a lightly armed band of guerrillas clad in captured camouflage suits and motley civilian clothes.

Their base is not far from the Gorongosa Game Park, about 800 kilometers north-northeast of Maputo.

An atmosphere of the surreal dominated the rebels' hideout. Primitors of incoming messages from commanders arrived from a new laptop computer linked to the field radio. Traditional dancers entertained rebel officials in a small clearing in the forest.

Flanked by political department heads in smart three-piece suits and ties, Mr. Dhlakama, a short, bespectacled man who has led the movement for nearly a decade, explained: "We are waging a war to democratize and lower the profile of the enemy. It serves no purpose to hold towns that are empty."

The rebels cannot match the Soviet-made aircraft and other advanced weaponry of the Zimbabweans and Mozambiqueans. But they appear to enjoy sufficient support from the war-weary local population, and to have mastered rural guerrilla tactics to the point where



Many of the claims made by the rebels conflict with a U.S. State Department report, which branded them as one of the most brutal guerrilla armies in the world.

the reconstruction of the war-torn and drought-ravaged country is impossible without their cooperation.

Many of the claims made by the rebels conflict with United Nations reports and a recent U.S. State Department report, which branded Renamo as one of the most brutal guerrilla armies in the world.

Renamo was originally a mercenary army, organized and nurtured by white Rhodesian intelligence officers in the mid-1970s. Sponsorship of the rebels was later taken over by the South African Army, with the backing of Portuguese business interests that had been dispossessed in Mozambique.

Although South Africa says it no longer supplies the rebels, there is some evidence that support continued after the signing of a South Africa-Mozambique nonaggression pact in 1984.

The rebel group describes itself as anti-Marxist, and says that doctrinaire Marxist policies that threatened the traditional way of life of tribal villagers were a main reason for its creation.

While Renamo says its tenets are anti-Marxist, the Maputo government has diluted the leftist policies it followed after expelling the Portuguese colonial administration in 1976 and has moved closer to the Western economic sphere of interest, seeking Western and even South African aid.

Although Renamo also claims a clandestine presence in the capital, Maputo, and in provincial capitals, guerrilla leaders say their strategy is to gain control of rural Mozambique before trying to precipitate an insurrection in urban areas.

Renamo's assertion that it controls 85 percent of rural Mozambique is clearly excessive, but the rebels appear to be able to move freely in more than a third of the country.

But the guerrillas, who have crippled much of the country's vital rail and power network, have been likened to the Khmer Rouge of Cambodia in the State Department report, which blamed the rebels for killing more than 100,000 people

Italian Ship Sails From Nigeria With Toxic Waste

The Associated Press

LAGOS — An Italian ship has sailed with 167 containers of toxic waste retrieved from the Nigerian port of Koko, where it had been secretly unloaded a year ago.

The ship's destination was not announced. It was one of two ships sent by Italy to remove several thousand tons of toxic waste dumped 240 kilometers (150 miles) southeast of Lagos. Nigeria's military government had temporarily seized an Italian ship to enforce its demand that the waste be removed.

Nigerian authorities arrested 15 people last month, including several Italian nationals, in connection with the dumping. The government has said people convicted of such acts could face the death penalty.

The waste, which Nigerian newspapers said had originated in 10 European countries, was unloaded in August 1987. Nigerian newspapers publicized the affair, fueling anger throughout Africa over attempts by developed nations to use the continent as a dump for toxic waste.

Zambia Flies Around Pretoria Sanctions

By Blaine Harden

Washington Post Service
LUSAKA, Zambia — When Congress imposed sanctions that canceled U.S. landing rights for South African Airways, the airline told its customers: "Don't Worry. We're still flying high."

South Africa's national airline bragged in a newspaper advertisement that it would circumvent the U.S. sanctions "thanks to our friendly association with our colleagues."

Nearly two years later, in an ironic twist in the international effort to isolate the white minority regime in South Africa, the "colleagues" that is making it possible for South Africans to fly almost directly to New York is Zambia Airways, the national carrier of a black-ruled nation.

Zambia, one of Pretoria's most vocal critics and an occasional target of South African armed attacks, has begun jumbo-jet service that offers South Africans the shortest, fastest and, in many cases, cheapest air passage to North America.

President Kenneth Kaunda of Zambia, chairman of the organization of black-ruled "front-line

states that oppose South Africa's racial policies, has been at the forefront in calling on Western Europe and Japan to join the United States in economic sanctions against Pretoria. He says that "the rest of the world should not benefit where American businessmen are losing. It is not fair."

Yet Mr. Kaunda conceded in an interview that Zambia Airways is profiting from U.S. sanctions.

"Yes, I agree," he said. "But what do you expect us to do? If we stopped that, how does it help in terms of this region?"

The new flight is a reminder of the close economic ties that remain between South Africa and the black-ruled nations of southern Africa. It also shows that the front-line states, in dealing with Pretoria, cannot afford symmetry between their anti-apartheid rhetoric and their business dealings.

Zambia is in the midst of an economic crisis. Its standard of living has been decaying for more than a decade. Child death from malnutrition has doubled in the past five years. It has stopped paying interest on its foreign debt of \$5.3 billion.

Many industries have closed for lack of foreign exchange to buy imported spare parts. Shops are chronically short of consumer goods. About half of the goods that get into the landlocked country are either made in, or transported through, South Africa.

Zambia desperately needs hard currency — even the South African rand.

"We don't deal in politics," said George A. Lewis, marketing director for Zambia Airways. "You cannot ask me to give any political view. There is a market in this region." Mr. Lewis conceived the idea for the nonstop flight to New York.

Representative Howard E. Wolpe, a Michigan Democrat who was a sponsor of the 1986 U.S. sanctions, says he finds nothing inappropriate about the flight.

"These countries are not in the same kind of economic position that we are," he said. "They cannot afford sanctions." He added that he found a measure of "poetic justice" in white South Africans turning to Zambia for transport.

"I frankly relish the prospect of South Africans traveling through

the front-line states in which they have carried out so much aggression in the past few years," Mr. Wolpe said in an interview. "These are folks who don't like to deal with their black neighbors and here they are having to be dependent on them."

The 16-hour flight begins in Lusaka. A luxurious transit lounge was built at Lusaka International Airport especially for the flight, which began service April 1. Refreshments in the lounge can be bought only with foreign currency.

The weekly flight is now almost always fully booked, with passengers from South Africa filling between 10 and 20 percent of the DC-10 aircraft. Zambia Airways' direct route, which lasts 16 hours, cuts between five and 10 hours off Johannesburg-New York flights that have stopovers in Europe.

Zambia's New York flight, which depends on nonstop feeder flights between Lusaka and Johannesburg, was begun less than 18 months after Mr. Kaunda proposed that African states cut all their air links with South Africa.

and turning at least one million into refugees.

The report, issued in April and based on interviews with 196 Mozambiquean refugees in five countries, also held the rebels responsible for a series of massacres of civilians last year, including one at Homoine in which more than 400 persons were killed.

The report found that the movement has used forced labor, rape, mutilation and arbitrary execution in its bid to overthrow the government.

Mr. Dhlakama vehemently denies these charges and insists that atrocities are committed by specially trained counter-insurgency units mandated to discredit the rebels.

"If we were just a bunch of bandits," Mr. Dhlakama said, "we would have been caught and been handed over to government forces long ago."

Mr. Dhlakama, the son of a tribal chief from the tiny Ndau tribe in central Mozambique, was thrust unexpectedly into the Renamo leadership by Rhodesian intelligence officers after the death in combat of Andre Matsangaissa, the movement's first leader.

Anselmo Victor, 33, "political ideology minister," is responsible for the 7,000 party members, of whom 2,000 are said to operate in the cities.

"In every town we have got our political members we can contact," he said. "We also have members who have infiltrated the Mozambique secret police who keep us well-informed."

Maputo Claims Violation
The official Mozambiquean news agency AIM said Sunday that South Africa had secretly flown foreign journalists to rebel-held areas of Mozambique in violation of a security pact between the two countries, Reuters reported from Maputo, the Mozambiquean capital.

AIM said the visit was an attempt by South Africa to polish the rebels' image, which was tarnished by a U.S. State Department report in April accusing the guerrillas of mass murder of civilians.

States would not want to carry out and dangerous devices around the Pacific for no purpose on reconnaissance flights operated by the U.S. Air Force.

However, Robert L. Leonard, who heads a group of activists in Cleveland, is demanding an end to U.S. military involvement in Antarctic activities that granting blanket clearance for all American supply flights "seems to be of its nuclear-free zone."

Kevia P. Clements, senior lecturer in sociology at the University of Connecticut in Storrs, said the government's refusal to sign a blanket clearance because of the 1959 Antarctic Treaty, which the U.S. signed, banned nuclear weapons from the area.

But Mr. Leonard said the clearance also covered an average of two or three flights a month by the U.S. Air Force from Hawaii to Australia and the other way.

These flights, Mr. Clements said, "could be carrying nuclear weapons, although that is highly unlikely. It is obvious security in place."

Weeks in Gulf During

West Bank Claims to R

CLICHES: A Full Plate

Continued from page 4

and Sunday were held in a hotel in Jerusalem. The Israeli government said it would not accept any negotiations unless the Palestinians agreed to recognize Israel's right to exist.

Now you can catch a Thai International flight from Bangkok and in no time at all you can be in Toronto, Canada.

The great lakes, the great outdoors. The great diversity of everything Canadian. From the Rockies to the Prairies, from the traditional to the modern. TI is Canada. And now Thai takes you to Toronto in 747 comfort every Monday, Thursday and Saturday from Bangkok via Taipei and Seattle. Returning on Tuesday, Friday and Sunday. Thai. Centuries-old traditions. Innovative thinking. State-of-the-art technology.

Tha
We reach for it.

* Commencing July 16, 1988. Subject to Government approval.

OPINION

Herald International Tribune

Three Threads of Peace

Suddenly, a season of peace seems to be warming the world. The last few months have seen five bitter and protracted conflicts brought suddenly closer to peaceful resolution.

those that the United States has long sought. Since the Carter administration, America has sought the withdrawal of Cuba's troops from Angola and South Africa's from Namibia.

Rarely have so many such wars seemed to be drawing to a close at once. Is the world doing something right? Or is the coincidence of peace as uncontrollable as some favorable conjunction of the planets?

One is the new Soviet foreign policy. Mikhail Gorbachev has ceased issuing blank checks to revolutionary regimes.

Iran and the Hostages

The U.S. government is tied in a knot in the matter of getting back the nine American hostages who are held by friends of Iran.

Iran has two sorts of assets in American hands. If it is trying to reclaim the military stocks that the shah bought and that the United States impounded, then there can be nothing done.

Burma's Way to Nowhere

Burma for decades tried to find safety and prosperity by shutting out the world, but without success. It displays instead many familiar Third World ills that cannot plausibly be blamed on outsiders.

foot doctors and no anesthetics, of education and finance ministers who shun interviews for fear of exposing their ignorance.

Euphoria Is Out of Order

As long as the American economy keeps growing steadily, it is very hard to persuade people that anything really needs to be fixed. Alan Greenspan, chairman of the Federal Reserve Board, made the point recently when he went on to say: "That could very readily lead to a degree of euphoria and an unwillingness to come to grips with difficult problems."

have borrowed well over \$600 billion from the rest of the world. As Mr. Greenspan observes, no country has limitless credit.

After Iran-Iraq: Next Watch for an Islamic Comeback

By William Pfaff

PARIS—It is expected in the West that when the Gulf war does end, things will return to "normal." But what is normal? There is a new norm.

claim which Washington, ironically enough, has been anxious to confirm, suggesting to anyone who will listen that the U.S. Navy really won the war.

veloped, and it was particularly marked in Iran. Even as the revolution took place at the end of the 1970s, young Iranians abroad would not concede that Iranians bore any responsibility for the shah and for what his government had done to the country.

was the Arab revolt in the World War I, which aborted, but then the so-called Arab renaissance among intellectuals, and the launching of such secular political movements as the Ba'ath socialist party, which in two of its latter-day manifestations governs Syria and Iraq today.

19th century by disciplined modernization of their own society, the rest of Asia fell into colonial or semi-colonial subordination until the early and mid-20th century. Then revolutions followed one another in China, India, Indonesia and Indochina—and the Western powers, one after another, abandoned the attempt to control events. It was a recovery of political independence, but also, more importantly, of moral autonomy.

Asians have seen a recovery of political independence. That is what is happening in the Islamic world—the recovery of a civilization.

employment of high technology that nobody expected of them.

Psychology of victimization developed, and it was particularly marked in Iran. Even as the revolution took place at the end of the 1970s, young Iranians abroad would not concede that Iranians bore any responsibility for the shah and for what his government had done to the country.

They are following what earlier was accomplished in Asia. There, while the Japanese fended off the West in the

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They are following what earlier was accomplished in Asia. There, while the Japanese fended off the West in the

Now That the World Wants Peace, Try to Make It Last

By Flora Lewis

PARIS—At last there are prospects for ending the bloody Iran-Iraq war, which started nearly nine years ago. If a cease-fire can be achieved, followed by peace negotiations, the fighting could stop on the one basis that practically everybody except the combatants required: victory for neither side.

against a much more populous, oil-rich Iran. When the Iranians pulled themselves together, they not only expelled the Iraqis but advanced to the point where the regime of President Saddam Hussein was threatened.

The war dragged on, with support flowing to both sides, often from the same countries. Iran led itself with "human wave" offensives. Iraq shifted strategy, using banned chemical weapons to block Iran's advances and bombardment of its shipping and cities to wear down its economy and morale.

could not bring down the Baghdad regime. It may be a pernicious illusion that would undermine further policy decisions needed now to prevent another reversal of the pendulum and continuation of the war.

The Butchery in Mozambique Must Be Stopped

By Matilda R. Cuomo

ALBANY, New York—Mozambique's families are suffering unthinkable violence and death, largely without international awareness.

Mortality rates are among the world's highest. One in three children dies before the age of 5.

Many saw them murdered. Many were saved by parents who sacrificed themselves as decoys during raids so that the children could flee.

When Iraq tried to take over Kuwait in 1973, Saudi Arabia correctly saw it as a serious threat. The emergence of Iraq as the strongest Gulf power would endanger all states in the region, including Israel.

Another factor analysts would cite is the foreign exchange market. The cautious forecasts by the major nations to take flight.

The Economic Issue: Americans Need Political Leadership

By Robert J. Samuelson

WASHINGTON—When Michael Dukakis says that this presidential election is about competence, not ideology, he has it backward. Call it ideology, philosophy, whatever: In the broad sense, the next president's job is to redefine what government can and should do—and what it can't or shouldn't.

deciding military spending (as a share of GNP) financed rising domestic spending on more social security, food stamps, college scholarships. The tax burden was relatively constant. In 1954, federal taxes were 18.9 percent of GNP; in 1974, 18.6 percent.

1970s. The economy slowed; cuts in military spending became tougher. Presidents Carter and Reagan could not deal with the change.

political realities to accommodate new economic realities. Mr. Carter did not engineer a consensus for higher taxes to support higher spending. Mr. Reagan did not build one to support spending cuts and lower taxes.

burden was as high—as at 19.4 percent of GNP—as in Jimmy Carter's last year. The budget's arithmetic is unarguing. Anyone who has studied it knows that deficits cannot be eliminated only with military cuts or with "soak the rich" taxes.

Dukakis Should Warn About the Future

By Peter J. Solomon

NEW YORK—What is Michael Dukakis going to say about the economy to convince voters that the Democrats can do a better job?

What Mr. Dukakis must point out, then, is that the economic statistics touted by the Reagan administration were achieved at high cost. He must persuade voters that a policy promoting immediate economic gratification may appear to work in the short term, but if unchecked will prove disastrous to future generations.

This is the challenge: to alert the country to the possibility that it is begetting its children. Mr. Dukakis should acknowledge the strength of the current economy while noting that the signs of "spend now, pay later" have become more prevalent in the Reagan years. He should be optimistic about the near term, and have vision concerning tomorrow. And he should use that vision, and his competence, to rebalance America's economic position.

100, 75 AND 50 YEARS AGO

1888: A Stormy House

LONDON—A Member of Parliament says: "The Parliamentary barometer stands at stormy. Mischievous is in the air, and every hour that passes increases the probability of unusual turmoil. The Irish members are in a state of great excitement, every detail of the Parnell Commission being obnoxious to them. On all sides the position is extremely critical. If by any turn of events the Nationalists are stained with crime, down will go the entire Gladstonian party. Every body feels and admits this. So great would be the popular feeling that no member of the party could stand."

1913: Venezuelan Coup?

NEW YORK—The Herald's exclusive forecast three days ago [July 29] of a Venezuelan revolution headed by General Castro seems to be fully substantiated. The Venezuelan Government has established a strict censorship of all despatches, and notification of

the censorship has been sent to all interested in Venezuelan affairs. Señor Pedro Rincónes, the Venezuelan Consul-General in New York, admitted today [July 31] that General Castro is now on the border of the Republic, but declared that President Gomez is secure and the people do not want General Castro.

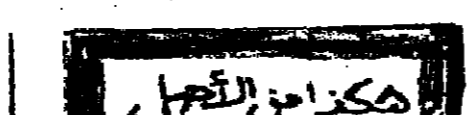
1938: Corrigan Excused

NEW YORK—Douglas P. Corrigan, who flew a "crate by mistake" across the Atlantic to Ireland, will find that he was "grounded" only for the duration of his voyage home when he arrives here from Europe on Thursday [Aug. 4]. Action was taken because Corrigan started out on his errand hop without official permission. Punitiveness is benign, said Colonel Monroe Johnson, Secretary of Commerce for Air, "because of the world-wide sentiment and because Corrigan's daring and skill is expected to stimulate non-commercial flying everywhere."

FROM TELEVISION NET... Monday, August 1, 1988... EUROBO... Summer Time B... To Slow Market... By CARL GE... Paris—The summer doldr... daily slow activity in the m... month. The height of the m... when interest rates still are... are still very unconvincing... making the market has gone fr... and principal repayments f... October, when \$12.5 billion in p... investors seeking to tip into the... offering securities before the end... football before the tradi... annual autumn crowd starts... form. The signal for the... to be seen could be sound... at midmonth, when Washi... to report the size of... the June U.S. trade deficit... another favorable number... investors into delinquent... announced securities.

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1958-1982 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen LEE W. HUEBNER, Publisher JOHN VINOGRAD, Executive Editor • WALTER WELLS, News Editor • SAMUEL A. BENT, KATHERINE KNORR and CHARLES MITCHELL MORE, Deputy Editors • CARL GEWIRTZ, Associate Editor • ROBERT J. DONAHUE, Editor of the Editorial Pages • JAMES R. CRATE, Business Financial Editor RENÉ BONDY, Deputy Publisher • ALAIN LECOUR and RICHARD H. MORGAN, Associate Publishers • FRANÇOIS DESMAYENS, Circulation Director • ROLF D. KRANEFELD, Advertising Sales Director • KOURDIT HOWELL, Director, Information Systems International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel.: (1) 46 37 93 00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698. Directeur de la publication: Walter N. Thayer.

Editor for Asia: Michael Richardson, 5 Cantonment Rd., Singapore 0511. Tel: 472-7768. Tlx: RSS6928 Managing Dir. Asia: Malcolm Glenn, 50 Gloucester Road, Hong Kong. Tel: 5-8610516. Telex: 61170 Managing Dir. U.K.: Robin MacKintosh, 63 Long Ave, London WC2. Tel: 836-8002. Telex: 262000 Gen. Mgr. W. Germany: W. Lauerbach, Friedrichstr. 11, 6000 Frankfurt/M. Tel: (069) 726755. Tlx: 416721 Pres. U.S.: Michael Connor, 820 Third Ave, New York, N.Y. 10022. Tel: (212) 733-3890. Telex: 427175 S.A. au capital de 1.200.000 F. RCS Nanterre B 738031126. Commission Paritaire No. 61337 © 1988, International Herald Tribune. All rights reserved. ISSN: 0294-9022.



Weekly International Bond Prices

Provided by Credit Suisse First Boston Securities, London, Tel.: 01 523 11 30 Prices may vary according to market conditions and other factors.

Dollar Straights

Table listing bond prices for various countries including Australia, Canada, New Zealand, and others.

Table listing bond prices for France, Germany, Italy, Spain, and the UK.

Table listing bond prices for various European countries including Belgium, Denmark, Finland, Greece, Ireland, Luxembourg, Netherlands, Norway, Portugal, Sweden, and Switzerland.

Table listing bond prices for DM Straights, including various European issuers.

Table listing bond prices for Yen Straights, including various Japanese issuers.

Mutual Funds

Figures as at close of trading Friday July 29

NEW YORK (AP)—

Table listing mutual fund performance and prices for various funds.

DM Straights

Table listing bond prices for various European countries.

Table listing bond prices for various European countries including Germany, France, Italy, Spain, and the UK.

United Kingdom

Table listing bond prices for the United Kingdom, including various government and corporate bonds.

United States

Table listing bond prices for the United States, including various government and corporate bonds.

Yen Straights

Table listing bond prices for Yen Straights, including various Japanese issuers.

Treasury Bonds

Table listing Treasury bond prices.

DM Zero Coupons

Table listing DM zero coupon bond prices.

ECU Straights

Table listing ECU straight bond prices.

U.S. Consumer Rates

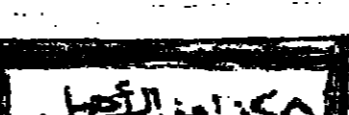
Table listing U.S. consumer interest rates.

Dollar Zero Coupons

Table listing dollar zero coupon bond prices.

Large advertisement for WestLB (Westdeutsche Landesbank) featuring the text 'Fixed Income and Equities Trading - for dealing prices call.' and 'One of the leading Marketmakers'.

Advertisement for Central American Securities, mentioning 'GUATEMALA CITY' and 'Central American Securities'.



New International Bond Issues

Compiled by Bassam Amin

Table with columns: Issuer, Amount (millions), Mat., Coup. %, Price, End week, Terms. Includes sections for Floating Rate Notes, Fixed-Coupon, and Equity-Linked.

Mexican Bank Uses Zero-Coupon U.S. Bonds in Debt Swap

By Carl Gewirtz
International Herald Tribune
PARIS — The technique of using zero-coupon U.S. Treasury bonds to back the restructuring of medium-term bank loans to Mexico has taken a new turn...

A "gentlemen's agreement" extending the \$5.5 billion of interbank lines extended to Mexican banks expires next July. Lenders who think those credits will not be...

The structure of the loan is significantly different from the operation launched by Morgan Guaranty for the government of Mexico. In that deal, banks were asked to swap existing debt at a discount from face value for new debt backed by U.S. Treasury securities...

will then have been transferred from Banamex to Williams. At the same time, Banamex will have transferred to Williams sufficient additional cash so that it can purchase the U.S. zeros needed to assure repayment after 20 years.

Williams therefore will own the zeros and lenders will have immediate access to that security if Williams is forced into default because Banamex suspends paying interest on its floating-rate notes...

INTERNATIONAL CREDIT
subject to a new rescheduling next year will obviously not be interesting in the Banamex proposal. The favorable response to the offering, however, indicated that banks are not optimistic. Privately, bankers expressed considerable discomfort about the strength registered by the opposition in the recent presidential election...

Banco Nacional de Mexico, known as Banamex, state-owned and the leading international commercial bank in the country, is offering its lenders an option to convert \$50 million of the slightly more than \$1 billion in existing interbank lines into 20-year floating rate notes with repayment of principal secured with zero-coupon U.S. Treasury bonds.

Interbank credits normally run from overnight to 12 months. But with all the other credits Mexico was unable to service when its debt crisis erupted six years ago, the interbank lines have been rolled over and extended along with the medium-term debt.

The debt to the lending banks could be doubled, the spokesman said only. "We are gratified by the response." The structure of the loan is significantly different from the operation launched by Morgan Guaranty for the government of Mexico...

Officials at the European Commission in Brussels said the tax advantage allowed in these deals — giving issuers the right to deduct an interest expense part of the principal repayment, which is normally not tax deductible — is not a direct subsidy from the state and therefore not subject to review or comment from the commission.

Treasury Bonds Lower Despite Late Rally

By H.J. Maidenberg
New York Times Service
NEW YORK — U.S. Treasury bond prices ended generally lower last week but cut their losses in a rally on Friday, the first rise for the market in four sessions.

Dealers attributed part of the recovery to the usual preweekend portfolio balancing and an overnight improvement in the market's sentiment.

The portfolio balancing mainly involved buying by traders holding short positions, while dealers said the improved mood resulted from the latest Federal Reserve Board statistics showing that the central bank had not been tightening credit as aggressively as the bond market feared.

Fears that the Fed was about to drive interest rates sharply higher as a means of cooling the economy and its demand for credit were heightened on Wednesday, when the central bank moved aggressively to drain reserves from the banking system.

The Fed's move that day coincided with data showing that the gross national product was continuing to grow at a relatively fast pace, which also unsettled the bond market because it increased fears of inflation, the base of investors in fixed-income securities.

On Friday, the Fed added \$1 billion of temporary reserves to the banking system. Federal funds, the overnight interbank lending rate, ended the week trading at 7 1/8 percent unchanged from the previous week but below the 7 1/2 percent reached when the Fed drained reserves last Wednesday.

Among short-term government securities rates, three-month Treasury bills were quoted at 6.93 percent, up from 6.74 percent the week before, while the six-month bills ended at 7.11 percent, up from 7.05 percent.

But despite the weekly rise, the rates were lower than at the Thursday close, when the three-month bills were quoted at 6.99 percent and the six-month securities traded at 7.19 percent.

Because of the positive mood on Friday, many bond traders ignored such bearish factors as a sharp rebound in prices of precious metals and other commodities, as well as the firmness of the dollar in the face of concerted currency market intervention by the Fed and other central banks.

As trading ended, the bellwether Treasury long-term bond, the 9 1/2 percent issue of 2018, was being offered at 99 1/32, down about 5/32 on the week. The yield rose to 9.22 percent from 9.20 percent.

SEC Investigates General Cinema Stock Filing

The Associated Press
BOSTON — The federal government and the New York Stock Exchange said they are examining an apparently bogus claim of a large investment in General Cinema Corp. that triggered a sharp rise in the price of the company's stock.

Securities experts said Friday the filing by an unknown London man from a fictitious London address of a 6.1 percent stock acquisition in the soft drink bottler and movie theater operator raised questions about Securities and Exchange Commission guidelines.

"It's very disconcerting," said Sam Scott Miller, a New York securities lawyer. "The system is designed to provide for very speedy dissemination, which is highly desirable to let the public know when someone takes a position. But the incident certainly shows that it can be taken advantage of by someone."

General Cinema, based in Chestnut Hill, Massachusetts, received a brown manila envelope with no return address and a New Jersey postmark late Thursday morning. Inside was a copy of a letter to the SEC from a Kile Johnson of 15 Apple Street, London, and a copy of a partial 13-D form, required whenever an investor holds more than 5 percent of a stock. The man said he used "personal funds" to

carried the report of the filing with the SEC in Washington on its financial wires. Before the company could react, the stock, which opened at \$20.875 a share, rose to a high of \$23.25 before closing at \$21.75.

WORLD STOCKS IN REVIEW / Via Agence France-Presse

Amsterdam
The stock market moved broadly higher last week in brisk trading boosted by a rally in international stocks.

London
London Stock Exchange indices fluctuated narrowly last week in a generally quiet market.

Singapore
Share prices consolidated in moderately quiet trading in Singapore last week.

Zurich
Zurich had a quiet trading week with activity centering on insurance companies because of bids of takeover and counter-takeover offers for La Suisse.

Tokyo
The Tokyo Stock Exchange ended a bullish week on an upbeat note Saturday with the Nikkei average topping the 28,000-yen level for the first time since July 14.

EUROBONDS: Summertime Slowdown Is Expected

(Continued from first finance page)
The first three months, this was set at 1/4 point over the interbank loan rate. If they fail to agree on what the margin should be, the fallback level is 1/2 point during the first 10 years and 3/4 point over the interbank rate in the final five years.

What is important for investors is that any time the margin is set below that fallback level, note-holders can reject the proposed terms and request to be repaid.

The seven fixed-rate Eurodollar bonds, totaling \$970 million, gave an exaggerated view of what was happening in that sector. The only issue that attracted genuine interest was the five-year \$150 million offering from Sara Lee. Even so, it ended the week down 2 points, leaving it trading outside the 1 1/2 points paid in commissions to underwriters.

Central American Nations Seek \$4 Billion in Aid Plan

United Press International
GUATEMALA CITY — The five Central American vice presidents have agreed to propose a plan to the European Community and the United Nations that would generate about \$4 billion for region's depressed economies.

The vice presidents, from Nicaragua, El Salvador, Honduras, Costa Rica and Guatemala, called the conference to plan for regional economic integration.

Mr. Carpio said that Central American ministers of industry and agriculture, as well as officials from the Ministry of Central American Integration, known as SIECA, also met this week to help formulate the plan but he gave no specifics.

Frankfurt

The West German stock market finished the week strongly, with the Commerzbank index 23.10 points higher than the previous Friday, at 1,454.80.

Milan

The Milan bourse had a positive week, with the MIB index rising 2.22 percent against the previous week, even though volume was down.

Paris

The Paris Bourse was stuck last week in a holiday calm that little seemed to disturb and the CAC index is taking its time regaining heights attained before the markets crisis last October.

Hong Kong

Trading was quiet last week with speculation that local interest rates would rise.

London

After falling 14.36 points on Monday, the Hang Seng Index registered small gains Tuesday and Wednesday, dipped slightly on Thursday and rose again Friday to close at 2,678.92, a rise for the week of 17.72 points.

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UAL Allowed To Sell Half of Apollo System

CHICAGO — UAL Corp. said it obtained federal approval to sell 50 percent of its Apollo computer reservation system in a transaction it valued at \$500 million.

Euromarts At a Glance

Table with columns: Eurobond Yields, Weekly Sales, Labor Rates. Includes data for various countries and currencies.

INTERNATIONAL POSITIONS

Table with columns: TITLE, SALARY, EMPLOYER. Lists various international job openings.

NASDAQ National Market

OTC Consolidated trading for week ended Friday, July 29

Main table containing NASDAQ National Market data with columns for Sales, High, Low, Last, and Net Change for various stocks. Includes sub-sections A, B, C, D, E, G, H, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Wall Street Journal advertisement for NYSE Most Actives, NYSE Diaries, and Chicago Exchange.

كردان الاصل

Wall Street Review

NYSE Most Actives

Table with columns: Vol, High, Low, Last, Chng. Lists top trading stocks like IBM, AT&T, and General Electric.

AMEX Most Actives

Table with columns: Vol, High, Low, Last, Chng. Lists active stocks on the American Stock Exchange.

NYSE Sales

Table showing total sales for NYSE, including volume and value.

AMEX Sales

Table showing total sales for AMEX, including volume and value.

NYSE Dividends

Table listing dividend payments for various NYSE stocks.

AMEX Dividends

Table listing dividend payments for various AMEX stocks.

EC: Community and Japan Are Working to Strengthen Their Axis, the 'Weak Side of the Triangle' in Trade

(Continued from page 1) The possibility of exchanges between artists... The official aim is to avoid raking over specific trade disputes and concentrate on broader aspects of the community's plans for 1992 and Japan's economic strategy.

that the community is finally "on the right track" in its trade with Japan. But they worry about the narrow base of the export success and whether the trend can be maintained.

But the community's principal current complaint is against Japan itself. Japanese companies, the EC alleges, are evading community anti-dumping duties on their cut-price exports of such items as electronic scales and typewriters by transferring production to "screw-driver operations" inside EC borders.

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

Large table listing NASDAQ trading data for various companies, including volume, price, and change.

JAPAN: A Growing Concern That EC Unity Will Present New Barriers

(Continued from page 1) to be taken as an opportunity for Europeans, I suspect they want to exploit it to its fullest extent... Improved ties with Europe — and the notion of a trilateral alliance among the United States, Europe and Japan — have been constant themes in Japanese political and intellectual circles.

that at all costs, a West European diplomat said... In the fiscal year ending March 1987, Japan's direct investment in Europe increased by 90 percent, to \$6.58 billion.

It's almost impossible to have total reciprocity, a government official said... "If it succeeds in establishing the single market, the community could finally exercise influence comparable to that of the United States in its relations with Japan, according to both American and European officials."

Chicago Exchange Options

Figures as of close of trading Friday, July 29

Table of Chicago Exchange Options with columns for option price, calls, and puts.

American Exchange Options

Figures as of close of trading Friday, July 29

Table of American Exchange Options with columns for option price, calls, and puts.

Large table of international classified advertisements, including sections for Escorts & Guides, Interfaces, and Aristocats.

Flights... Robert L. Leonard, who is an end to U.S. military aid in a Antarctic military aid supply flights... Clements, senior lecturer in the University of Cambridge...

Mr. Clements said the... an average of one air... from U.S. commercial... in Australia and the...

During the... the Washington... the Washington...

Trains to... the light... the light...

ICHS... all Plate... all Plate...

MONDAY SPORTS

SIDELINES

S. Africa Says Fans Barred From Seoul

JOHANNESBURG (UPI) — South African spectators have been banned from attending the Olympic Games in Seoul, government sports officials said Sunday.

U.S. Pro Soccer Gets 3-Tiered Program

PHILADELPHIA (AP) — The U.S. Soccer Federation on Saturday unanimously approved a three-tiered plan to build the foundation for a major professional league by the early 1990s and to prepare the national team for World Cup play.

Cup Series Moved to Early September

SAN DIEGO (UPI) — The San Diego Yacht Club and Mercury Bay Boating Club of New Zealand agreed late Friday to begin the America's Cup races in early September to avoid competing with the Olympic Games.

3 Tied for Lead in U.S. Golf Tourney

GRAND BLANC, Michigan (AP) — Howard Twitty bogeyed the final hole Saturday to move into a three-way tie with Steve Elkington and Scott Verplank after three rounds of the Buick Open golf tournament.

Quotable

Gary Gaetti of the Minnesota Twins, asked to rate the thrill of playing in his first All-Star game: "It's right up there with lobster."

S. Korean Hopefuls Endure Olympic 'Boot Camp'

By Michael Shapiro

SEUL — In a nation where soldiers are everywhere, the South Korean Olympic team is going to boot camp.

VANTAGE POINT/Steven Crist

At Last, Perhaps, Summer at the Races

NEW YORK — The horseplayers of Belmont Park, never exactly a cheerful lot, are even more sour than usual these days.

It may take the women and children of the equine world to provide most of the excitement this year at Saratoga.

The weather is not among their duties. They are looking forward to the move up the Gov. Thomas E. Dewey Thruway this week, although not with the usual excitement.

They spend the morning and afternoon in training.

At lunchtime, recorded fight songs are played, prodding with phrases like: "We must win!" "Let's show our strong determination!"

ACROSS

- 1 Broom made of twigs
8 His Rose was Irish
10 F.D.R. dog
14 "vinci vicini amor"

DOWN

- 1 Belly laugh
2 Eastern V.I.P.
3 Dirk of yore
4 Lubricates
5 Impulsive
6 "Blue?"
7 Catafalque's cousin
8 S.A. Indian of old

WEATHER

Table with columns for EUROPE, ASIA, NORTH AMERICA, AFRICA, LATIN AMERICA, OCEANIA. Includes high/low temperatures and weather conditions for various cities.

MONDAY'S FORECAST

CHANNEL: Smooth. FRANKFURT: Fair. Temp. 24-30 (75-86). LONDON: Cloudy. Temp. 19-23 (66-81).

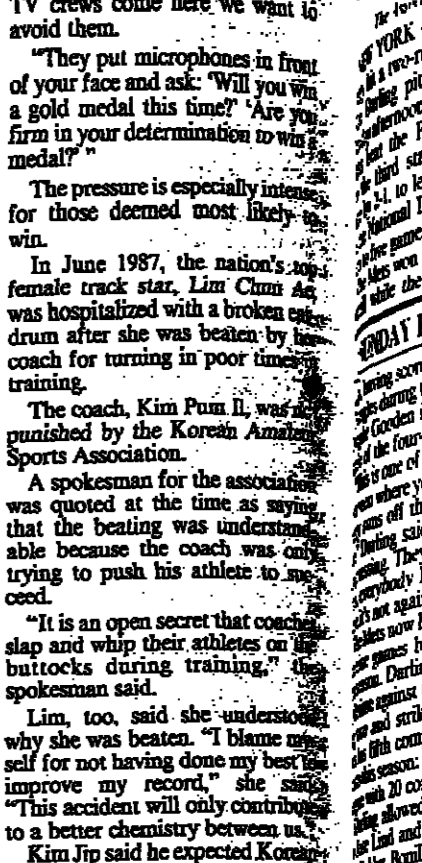
DENNIS THE MENACE



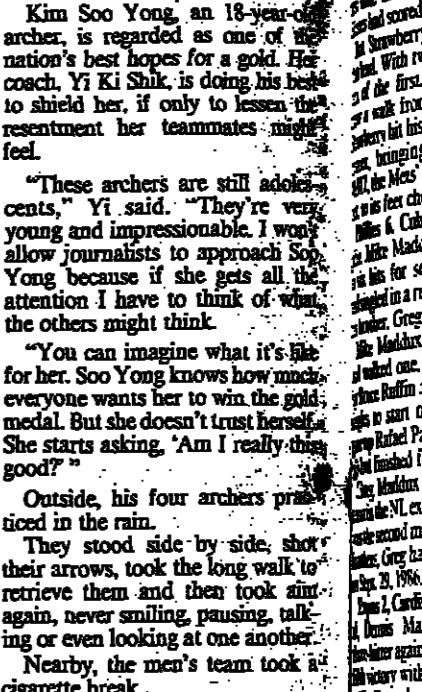
JUMBLE

Word game section with scrambled words: LATAN, BIGEE, GRAULF, ROUVED. Includes instructions and answers.

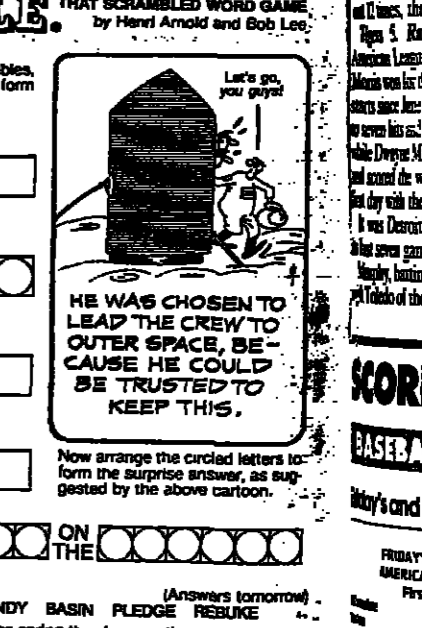
PEANUTS



BLONDE



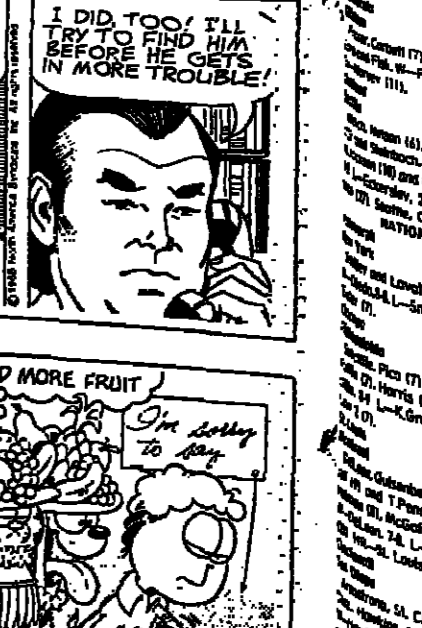
BEETLE BAILEY



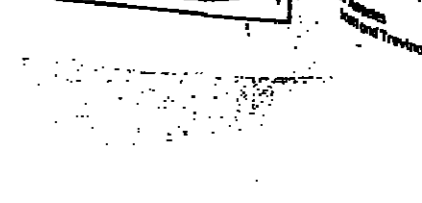
WIZARD OF ID



REX MORGAN



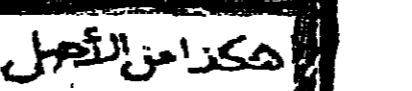
GARFIELD



SCOREBOARD

Table listing sports results for various leagues including MLB, NFL, NBA, and NHL.

Solution to Friday's Puzzle: A grid of words and phrases with their corresponding letters filled in.



MONDAY SPORTS

Mets Defeat Pirates 3d Time; Lead at 5

The Associated Press NEW YORK — Darryl Strawberry hit a two-run home run and...

SUNDAY BASEBALL

Having scored only one run on 13 singles during the weekend, face Dwight Gooden in Monday night's finale of the four-game series.

er Seeks Transfer

...the architect of an expansion...

30 Malaysians

...Thirty people were killed...

enate on Arms Sales

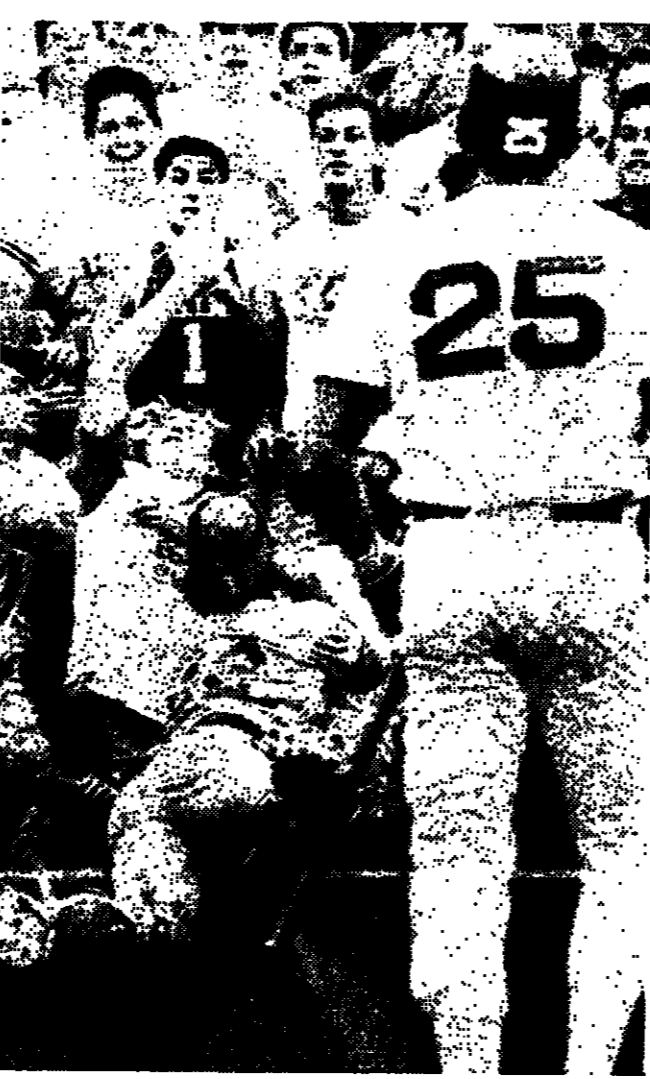
...The Senate Committee...

EL UPDATE

...to Roads in France

ankan Civil War

...Effort to End Violence



Milwaukee catcher Charlie O'Brien, diving vainly into the Fenway crowd for a foul pop off the bat of Boston's Larry Parrish (25).

Tigers Keep Edge on Terrell 5-Hitter

Compiled by Our Staff From Dispatches DETROIT — Walt Terrell pitched a five-hitter Saturday night...

SATURDAY BASEBALL

Yankees 3, Blue Jays 1: In Toronto, Ricky Henderson scored the first run...

A Day to Reflect at the NFL Hall of Fame

By Thomas George New York Times Service

CANTON, Ohio — That click, click, click heard during the Pro Football Hall of Fame's silver anniversary...

would be," Ditka said. "I look at all the great men who have made it here — I'm not sure what it all means...



WEMBLEY WOE — A cheerleader for the San Francisco 49ers grimaced as rain poured down on her poncho during Sunday's NFL exhibition game in London.

Page was introduced by William Beasley, principal of North Community High School in Minneapolis...

Starting in 1961, Ditka, who is entering his seventh season as Chicago's head coach, played 12 seasons with the Bears...

Starting in 1961, Ditka, who is entering his seventh season as Chicago's head coach, played 12 seasons with the Bears...

praise I have for playing a game for another as the Cincinnati Bengals beat the Los Angeles Rams...

After the ceremonies, Turk Schonert ran four yards for a touchdown and passed four yards for another as the Cincinnati Bengals beat the Los Angeles Rams...

'Double Trouble' Bouts Just That

Compiled by Our Staff From Dispatches ATLANTIC CITY, New Jersey — A low blow and a late blow decided the two world welterweight championship bouts...

Staring, who is from Hartford, Conn., lost his World Boxing Association title when he was knocked out by Tomas Molineras...

Staring led on two cards and the other judge had it even. He had taken most of Molineras' punches on his gloves and countered with stinging combinations...

Staring's fight had a stranger ending. Molineras, who had trouble landing a clean punch all day, threw a looping right to the jaw that knocked Staring face first to the floor...

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SCOREBOARD

Friday's and Saturday's Major League Line Scores

Table with columns for team names and scores for various baseball games.

Major League Standings

Table showing league standings for American League and National League.

TENNIS

Table listing tennis tournament results and winners.

SOCCER

Table listing soccer match results and scores.

TRANSITION

Table listing player transfers and team changes.

FOOTBALL

Table listing football match results and scores.

N. Zealand Jars Australia in 3d Rugby Test

Compiled by Our Staff From Dispatches SYDNEY — A storming start by New Zealand forwards stunned Australia and led to a lopsided victory Saturday, 30-9...

